

**Developing Agri-Inputs Market in Nigeria (DAIMINA) Project**

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**Quarterly Progress Report  
(October-December 2004)**



**Submitted by**



*An International Center for Soil Fertility  
and Agricultural Development*

**P.O. Box 2040  
Muscle Shoals, Alabama 35662, U.S.A.**

**[www.ifdc.org](http://www.ifdc.org)**

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## Acronyms and Abbreviations

ADPs	Agricultural Development Programs
AFAMIN	African Agricultural Marketing Information Network
AFAN	Apex Farmers Association of Nigeria
AIDA	Agri-Input Dealers' Association
AITA	Agri-Input Traders' Association
BASAIDA	Bauchi State Agri-Input Dealers' Association
CPPs	Crop Protection Products
DAIMINA	Developing Agri-Input Markets in Nigeria
DAP	Diammonium Phosphate
FCT	Federal Capital Territory
FECAIDA	FCT State Agri-Input Dealers' Association

FEPSAN	Fertilizer Producers and Suppliers Association of Nigeria
FFD	Federal Fertilizer Department
FMARD	Federal Ministry of Agriculture and Rural Development
IFDC	An International Center for Soil Fertility and Agricultural Development
KASAIIDA	Kano State Agri-Input Dealers' Association
kg	Kilogram
L	Liter
MIR	Marketing Inputs Regionally
MIS	Market Information System
MISTOWA	Market Information Systems & Trade Organizations Systems in West Africa
MOP	Muriate of Potash
mt	Metric ton
NAIDA	National Agri-Input Dealers' Association
NAMIS	Nigeria Agri-Market Information Service
NPK	Nitrogen - Phosphate - Potash
NSS	National Seed Service
OYSAIDA	Oyo State Agri-Input Dealers' Association
PCU	Projects Coordinating Unit
SEEDAN	Seed Association of Nigeria
SG 2000	Sasakawa-Global 2000
SPFS	Special Program on Food Security
USAID	United States Agency for International Development

# **Developing Agri-Inputs Market in Nigeria (DAIMINA) Project**

## **October-December 2004**

### **Introduction**

This quarter, being the last for the DAIMINA project, was characterized by the close-out activities. A close follow-up at the zonal offices and with stakeholders was made, and they were sensitized on the need for sustainability of the “Agri-Input Dealers’ Associations” (AIDA) after the project close-out. This led to the formation of a National Agri-Input Dealers’ Association (NAIDA) that would be advocating for the state level agro-dealers associations. NAIDA is also expected to work closely with IFDC’s Market Information Systems & Trade Organizations Systems in West Africa (MISTOWA) and Marketing Inputs Regionally (MIR) regional projects to increase trade among the West African countries.

### **Highlights**

- *Follow-up discussions with the Federal Ministry of Agriculture and Rural Development (FMARD) and National Seed Service (NSS) on the amended fertilizer regulations and seed laws.*
- *Formation of National Agri-Input Dealers’ Association (NAIDA).*
- *Graduation of 100 agro-dealers in Bauchi and Federal Capital Territory (FCT) of Abuja.*
- *Prefeasibility study for the establishment of gas-based ammonia/urea plant.*
- *Business development meetings in the project area.*
- *A field day was conducted at high-analysis fertilizer demonstration sites in Kano.*
- *An assessment of the implementation of the voucher scheme was conducted.*
- *Participation in the Nigeria International Year of Rice.*
- *Participation in the launching of the World Bank National Fadama II project in Bauchi state.*
- *The MISTOWA team visited Nigeria.*

A summary of activities carried out during the period is given below.

## **1.0 Policy Reforms and Regulations**

### **1.1 Summary of Objectives**

- Facilitating the Government of Nigeria in the creation of a conducive environment for private sector participation and investment in agri-input supply and distribution.
- Updating of existing Seed Laws that would lead to quality assurance and liberalize the seed trade.
- Demonstration of the voucher scheme as a more reliable alternative to direct subsidy.
- Advise the FMARD on the economical range of fertilizer products through the use of high-analysis fertilizers.

### **1.2 Activities in Support of Objectives**

- Discussions continued with the Federal Ministry of Agriculture and Rural Development (FMARD/FFD) and National Seed Service on the formal approval of the amended Fertilizer Regulations and Seed laws.
- An assessment team composed of Alh. Ahmed Rabiou Kwa, Executive Secretary Fertilizer Producers and Suppliers Association of Nigeria (FEPSAN), Special Program on Food Security (SPFS) staff, and DAIMINA staff visited SPFS sites in Kano, Bauchi, and FCT of Abuja to assess the impact of the fertilizer voucher scheme and to know the views of farmers, agro-dealers and Agricultural Development Projects (ADPs).
- At the request of United States Agency for International Development (USAID) Nigeria, IFDC conducted a prefeasibility study for the establishment of a gas-based ammonia/urea plant in Nigeria. The scope of work also included the rapid evaluation of the National Fertilizer Company of Nigeria (NAFCON) plant and the estimation of the fertilizer demand in Nigeria. A technical team led by Mr. Jorge Polo, IFDC, and Mr. Kees Ooman of Stokes Engineering Company, conducted the study from November 29 to December 12, 2004. Field visits were made to Lagos, Port Harcourt, and Warri. A stakeholders' workshop was organized on December 8, 2004, to discuss the findings of the study. Forty participants, including the USAID Mission Director, three senior officials of USAID, and three officials of IFDC attended the meeting.

### **1.3 General Status**

- The amended Fertilizer Law & Regulations have been accepted by FMARD and the National Council on Agriculture for submission to the Federal Executive Council.
- The amended Seed Law 1992 has also been accepted by FMARD for presentation to the next National Council on Agriculture in 2005.
- The report on the assessment of the voucher scheme implementation revealed that the subsidized fertilizers reached the intended farmers, and the farmers want the scheme to be continued. The SPFS is still conducting further studies on how to simplify the application of the scheme so that it can be adopted in all of the 109 SPFS sites across the country.
- The efforts to reorganize the Seed Association of Nigeria (SEEDAN) have made steady progress.
- A draft report on the prefeasibility study for a gas-based ammonia/urea plant was prepared and submitted to USAID in February 2005. The study has generated a lot of interest among indigenous and foreign investors.

## **2.0 Private Sector Capacity Building**

### **2.1 Summary of Objectives**

- Networking of agro-dealers with grain agents to encourage them to diversify to crop marketing.
- Business promotion through collective procurement and negotiations.
- Promote linkages between agro-dealers and importers/major suppliers.
- Inculcate leadership and policy dialogue skills among executives of trade associations.
- Intimate agro-dealers of the importance of value addition and processing of food crops.
- Upgrade the knowledge of the women groups in processing and marketing of selected crops (cassava, groundnut, rice).

## **2.2 Activities to Support Objectives**

- The formation of NAIDA facilitated by the IFDC-DAIMINA project took place on Tuesday, December 28, 2004 in Abuja. Present at the meeting were the presidents and secretaries of Oyo State Agri-Input Dealers' Association (OYSAIDA), Kano State Agri-Input Dealers' Association (KASAIIDA), Bauchi State Agri-Input Dealers' Association (BASAIIDA), and FCT State Agri-Input Dealers' Association (FECAIDA), as well as representatives of SEEDAN (Engr. Yakubu Atar), FEPSAN (Alh. A. R. Kwa), and other DAIMINA staff who coordinated the meeting. An interim executive committee was elected with Dr. Akin Fagbamiye (President of OYSAIDA) as the interim president of the newly formed association.
- Field days were held at five high-analysis fertilizer demonstration plots at Kano state to discuss the economic benefits of the trials and the way forward in terms of availability of diammonium phosphate (DAP) and muriate of potash (MOP) during the next farming season.
- The Chief of Party and Project Manager held a meeting in December 2004 with executives of SEEDAN—Engr. Yakubu Atar (Alheri Seeds) and Alh. Ashiru Ringim (Nagoma Seeds)—on the reorganization of SEEDAN. Alh. A. R. Kwa (FEPSAN) was also present at the meeting.
- FEPSAN held its 6<sup>th</sup> ordinary meeting in December 2004 and discussed fertilizer procurement for the 2005 cropping season. They are trying to make arrangements with Apex Farmers Association of Nigeria (AFAN) on fertilizer supply to their farmers.

### **2.2.1 Graduation of Agro-Dealers**

100 agro-dealers, 50 each in Bauchi and FCT graduated in December 2004.

### **2.2.2 Business Development Meetings**

Three business development meetings between agro-dealers and input supply companies were held during this quarter. October to December are the off-season months, and the project staff was busy with the close-out operations; therefore, the zonal coordinators

could only record the business transactions for the supply of agri-inputs worth **₦42.79** million made in the project area in the month of October. Details of the business development meeting during the month are summarized in the table below:

<b>S/N</b>	<b>Date</b>	<b>Title of Workshop</b>	<b>Venue</b>	<b>No. of Participants</b>	<b>Business Commitment (₦' million)</b>
1.	Oct 21	Business development workshop	Kano	25	9.97
2.	Oct 18	Business development workshop	Bauchi	24	0.45
3.	Oct 19 & 21	Business development workshop	FCT	25	32.37

### **2.2.3 Sale of Agri-Inputs by DAIMINA-Trained Agro-Dealers**

A total of 2,403 mt of fertilizers; 7,366 kg of seeds; and 58,273 L of crop protection products (CPPs) were sold by the trained agro-dealers during the quarter as shown below:

<b>State</b>	<b>Fertilizer</b>	<b>Seeds</b>	<b>CPPs</b>
	(mt)	(kg)	(L)
Kano	799.20	4,625	2,528
Bauchi	721.00	1,480	33,700
FCT	882.80	1,261	22,045
<b>Total</b>	<b>2,403</b>	<b>7,366</b>	<b>58,273</b>



#### 2.2.4 Fertilizer Imports

A total quantity of 27,572 mt was imported during this quarter as per details given in the table below:

Month	Fertilizer Type	Quantity
		(mt)
October	NPK	18,320.00
November	Urea	9,252.00
December	NPK	-
<b>Total (Oct-Dec)</b>		<b>27,572.00</b>

  

<b>Total (Jan – Dec)</b>	<b>751,552.01</b>
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#### 2.2.5 Training Workshops Organized for Agro-Dealers

No training workshop was organized during the quarter as the project was largely occupied with the close-out activities.

### 2.3 General Status

- The linkage of dealers with input supply companies and holding of business development meetings have accelerated the agribusiness activities in the project area.
- The graduated agro-dealers are now better equipped to handle input marketing properly.
- The field days held at the high-analysis fertilizer demonstration sites revealed that the controlled plots produced higher yields and cost less than the uncontrolled plots, giving the farmers 15%-20% economic gain.

## 3.0 Strengthening of the Market Information System (MIS)

### 3.1 Summary of Objectives

- Provision of updated market information to stakeholders on agri-inputs and crop produce to facilitate policy and business decisions.

### **3.2 Activities in Support of Objectives**

- 3.2.1** There were 10,000 copies of five editions of the fortnightly Agri-Input News Bulletin published and distributed.
- 3.2.2** Three hundred copies of the sales and marketing manual were produced, and distribution is in progress.
- 3.2.3** News on the availability and retail price of inputs is being aired across the country through the ADP Farm Radio Program.
- 3.2.4** Collation, analysis, and dissemination of the market price survey is in progress jointly with Nigeria Agri-Market Information Service (NAMIS).
- 3.2.5** The DAIMINA data bank was updated and the African Agricultural Marketing Information Network (AFAMIN) website uploaded with market prices and agri-news regularly.

### **3.3 General Status**

- NAMIS (a joint initiative of IFDC-DAIMINA: Projects Coordinating Unit [PCU] and SPFS) is making good contribution in MIS and its area of operation is being extended.
- The Data Base Management System is being strengthened and updated.
- The government officials, private sector, and other stakeholders are increasingly using the NAMIS information.
- The MISTOWA project has formally begun operations in Nigeria and has identified NAMIS as one of its major partners in the provision of national market information services.

## **4.0 General Activities**

- 4.1** Dr. K. Debrah and Mr. P. Annequin of the IFDC-MISTOWA project visited Nigeria to introduce the MISTOWA project and undertook a field trip to the Dawanau market in Kano.
- 4.2** The president of FECAIDA attended the Agri-Input Traders Association (AITA) meeting organized by IFDC in Burkina Faso during the month. FECAIDA executives also had a

meeting with the Executive Secretary, Agricultural and Rural Development of FCT on fertilizer supply and leasing of FCT farm service centers to FECAIDA members.

- 4.3** The second National Fadama II project was launched in Bauchi state by the President of the Federal Republic of Nigeria. The IFDC-DAIMINA stand at the venue was visited by President Obasanjo and Governors of eight states, who wanted IFDC-DAIMINA activities to be extended to their respective states. IFDC/Nigeria has since started making contacts with relevant stakeholders in the participating states.
- 4.4** IFDC-DAIMINA submitted applications to the 18 states participating in the Fadama II program and six states have called for letters of “Expression of Interest” which have been submitted. The National Fadama Development Office in Abuja gave IFDC/Nigeria a recommendation letter which was submitted to the states along with the applications.
- 4.5** The Program Manager and other zonal staff took a tour of selected Fadama States to participate in the grassroots’ sensitization meetings and to discuss IFDC’s capabilities in the implementation of the second National Fadama II project.

## **5.0 Collaboration With Related Agencies/Projects**

The DAIMINA project continued working in collaboration with the following agencies:

- 5.1** PCU: SPFS for the development of NAMIS, the voucher scheme, and high-analysis fertilizer demonstrations.
- 5.2** MISTOWA for the promotion of market information and trade organizations in West Africa.
- 5.3** Sasakawa-Global 2000 (SG 2000) for joint field demonstration and training on high-analysis fertilizer.
- 5.4** Rice Alliance members for the promotion of rice production, processing, and marketing in Nigeria.
- 5.5** AAN/Crop Life Nigeria on the training of agro-dealers/production of manuals on CPPs.
- 5.6** FMARD/NSS and private sector in the review of the Seed Laws.
- 5.7** Marketing Inputs Regionally (MIR) IFDC: DGIS Regional Project on policy issues.
- 5.8** FEPSAN on policy dialogue and importation/distribution of fertilizers.

## **6.0 Close-Out Operations**

The close-out operations were successfully completed as per USAID/IFDC guidelines as highlighted below:

1. The project staff contract ended on December 31, 2004; all eligible payments were made. Staff members signed off on completion of all project obligations.
2. The property transfer report was prepared and submitted to USAID. On the advice of USAID, seven project vehicles were deposited in the USAID warehouse in Abuja, pending the formal approval of the property transfer request.
3. The office furniture and equipment housed in the IFDC project office in Abuja and field offices in Kano, Oyo, and Bauchi were properly inspected and kept in safe custody of IFDC.
4. All backup project documents, hard copies, and electronic copies were shipped to IFDC Headquarters by courier.
5. The IFDC bank account in Abuja has not been closed as per Headquarters' instructions.
6. All pending bills except for NEPA and Nitel were paid.
7. The required actions on office and Chief of Party residence lease agreements were taken.
8. All stakeholders were informed about project closeout.

Since IFDC/Nigeria operations (other than the USAID-funded DAIMINA project) are still in progress, the offices of IFDC remain open to conduct specified activities.